

FY 2003-04 Budget Detail

DIRECTOR'S OVERVIEW

Overview
Resources Used in Enacted Budget
Tobacco Settlement Funds
Fee and Statutory Changes
Other Budget Information
Summary Tables

FY 2003-04 DIRECTOR'S OVERVIEW Summary and Analysis

The enacted budget for Fiscal Year (FY) 2003-04 year-to-date (YTD) includes \$38.55 billion in adjusted gross appropriations. Funding sources include \$16.99 billion in state restricted funds, \$11.63 billion in federal funds, \$8.89 billion in General Fund/General Purpose (GF/GP) revenues, and \$1.03 billion in local and private sources. This represents a decrease of 1.87% in adjusted gross appropriations from the FY 2002-03 YTD and an increase of 0.63% in GF/GP appropriations from the FY 2002-03 level.

Consensus Revenue Estimates

The FY 2003-04 GF/GP budget is based on consensus revenue estimates agreed to at the May 13, 2003, Consensus Revenue Estimating Conference. These estimates included a GF/GP revenue increase of \$76.3 million (0.93%) from FY 2002-03 and School Aid Fund (SAF) revenue decline of \$128.7 million (-1.1%) from FY 2002-03. The primary reason for the decline is a one-time revenue source of \$455.0 million included in FY 2002-03 resulting from a timing change in State Education Tax collections. Consensus revenue estimates are discussed briefly in this Overview (page 11) and in detail in the Consensus Revenues section of this document.

Additional Funding Resources

General Fund/General Purpose expenditures are also funded with \$531.9 million from non-GF/GP resources: \$168.9 million in unrestricted federal aid received in FY 2002-03 and carried forward to FY 2003-04, an additional \$168.9 million in unrestricted federal aid received in FY 2003-04, a \$195.6 million fund transfer in FY 2002-03 that was carried forward to FY 2003-04, and fund transfers of \$20.8 million in FY 2003-04. See details on page 5.

The Executive budget recommendation included \$119 million of fee increases to replace GF/GP spending and \$128.9 million in tax changes. New and increased fees deposited directly into GF/GP are expected to increase GF/GP revenues \$98.1 million. New and increased fees are estimated to produce \$213.2 million in additional restricted funds that are used to supplant GF/GP spending in various state departments. Other statutory changes increased anticipated restricted funds \$188.8 million. A list of fee changes and other important statutory changes that were part of the budget process is included on pages 9 and 10.

In addition to consensus SAF revenue estimates and a GF/GP transfer, the SAF is funded for FY 2003-04 funded with \$128.3 million in one-time savings from refinancing School Bond Loan Fund debt; see details on page 6.

The FY 2003-04 budget includes \$281.9 million in FY 2003-04 appropriations to be made from tobacco settlement funds; see detail on pages 7 and 8.

This Overview also includes a review of state workforce changes and state spending returned to local governments. Overall content of the budget is summarized on page 11, and reported in Tables 1 through 5 (pages 12 through 16) of this publication. Following this Overview, FY 2002-03 and FY 2003-04 supplemental appropriations included in Public Acts 39 and 173 of 2003 are reported (page 17).

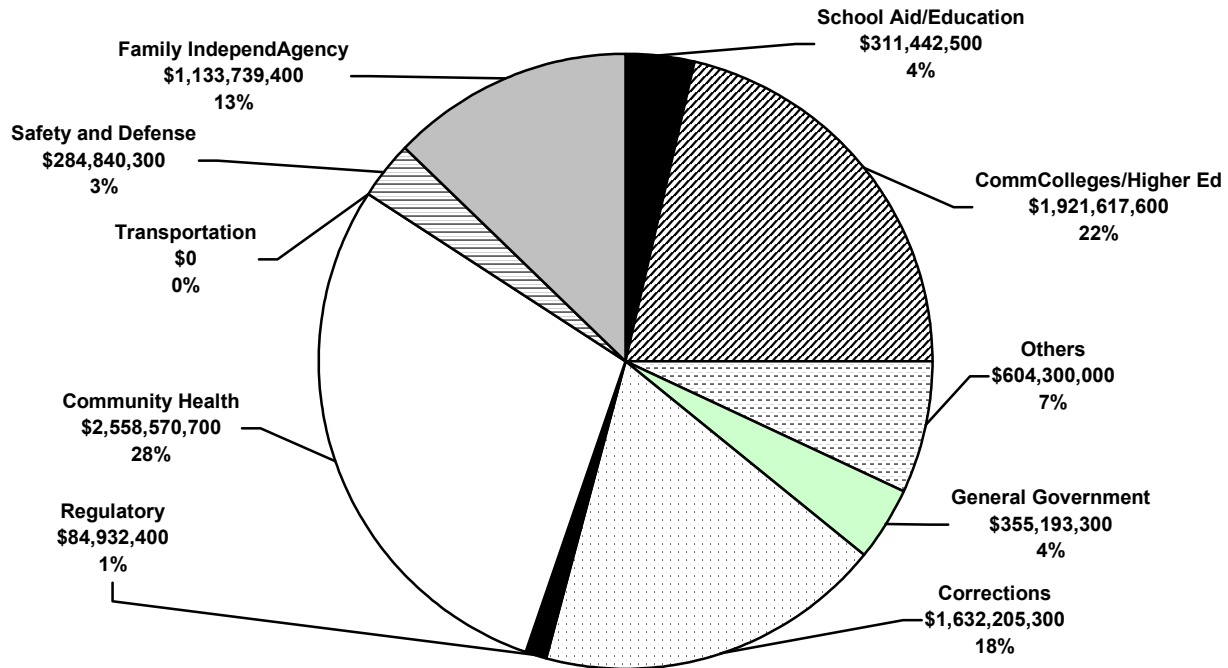
Following the Supplemental section, individual sections explain appropriations by department or major budget area. Each section includes a comparison of FY 2002-03 appropriations with the FY 2003-04 budget, a budget overview, and an analysis and discussion of major budget and boilerplate issues.

The figure on the following page shows the distribution of FY 2003-04 YTD Adjusted Gross and GF/GP appropriations. For Adjusted Gross appropriations, School Aid/Education (34%) and Community Health (25%) receive the largest shares. Of GF/GP appropriations, Community Health (28%), Community Colleges/Higher Education (22%), and Corrections (18%) receive the largest portions.

OVERVIEW

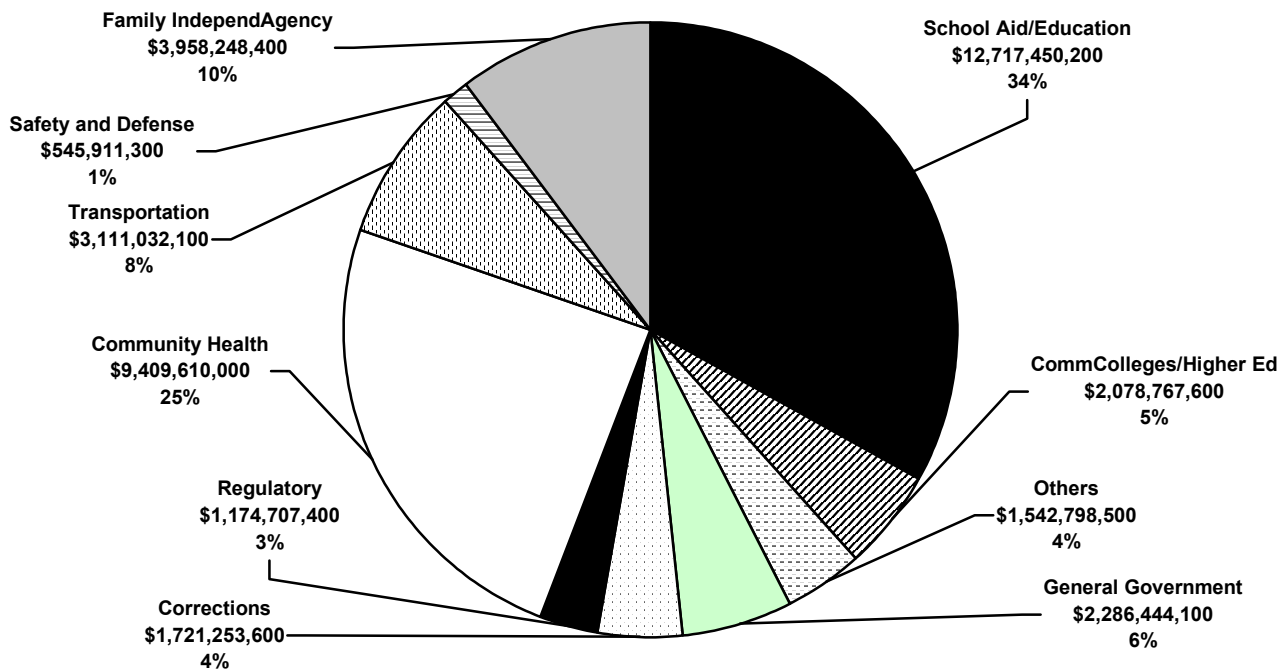
General Fund/ General Purpose Appropriations: FY 2003-04

Total: \$8,886,841,500



Adjusted Gross Appropriations: FY 2003-04

Total: \$38,546,223,200



Note: For these graphs, Capital Outlay is shown at target amount.

RESOURCES USED IN ENACTED FY 2003-04 YEAR-TO-DATE BUDGET

Resources used to fund General Fund/General Purpose and School Aid Fund expenditures in the FY 2003-04 year-to-date budget are reported below. An explanation of each source is included.

GENERAL FUND/GENERAL PURPOSE
(Millions of Dollars)

Beginning Balance	\$363.0
FY 2003-04 Consensus Revenue Estimate	\$8,158.7
Unrestricted Federal Aid	\$168.9
Reduce Local Revenue Sharing Payments	\$245.4
Bad Driver Fees	\$65.0
Increase Driver's License Fees	\$25.9
Federal Tax Reform: State Revenue Impact	(\$34.5)
Fund Transfers: \$10.8 from CTF and \$10.0 from UI Contingency Fund (P&I account)	\$20.8
State Tax Policy Changes	\$12.1
Increased Unemployment Benefits: State Revenue Impact	\$8.0
Sale of Detroit Plaza	<u>\$2.0</u>
Total	\$9,035.30

Beginning Balance

One-time money not appropriated in FY 2002-03 made possible by \$168.9 million in unrestricted federal aid and the transfer of \$195.6 million from unrestricted revenue sharing reserve to GF\GP.

FY 2003-04 Consensus Revenue Estimate

Revenue estimates agreed to by the Consensus Conference in May 2003.

Unrestricted Federal Aid

One-time federal aid to the state.

Reduce Local Revenue Sharing Payments

Total revenue sharing payments were reduced 3.0% below FY 2002-03 levels and \$245.4 million below full funding. As a result, GF/GP resources increase \$245.4 million.

Bad Driver's Fees

New fees enacted to encourage safe driving.

Increase Drivers' License Fees

Increased renewal fees for drivers' licenses.

Federal Tax Reform

Effects of federal tax reform that reduce Michigan's tax base.

State Tax Policy Changes

Impact of legislation that closed certain loopholes in the state tax code.

Increased Unemployment Benefits

State revenue impact of federal extensions of unemployment benefits.

OVERVIEW**SCHOOL AID BUDGET
(Millions of Dollars)**

Beginning Fund Balance	\$1.5
FY 2003-04 Consensus Revenue Estimate	\$10,749.0
General Fund/General Purpose Grant to School Aid Fund	\$282.0
Refinance School Bond Loan Fund	\$128.3
New Lottery Games	\$50.0
Personal Property Tax Audits	\$8.5
Federal Tax Reform: State Revenue Impact	(\$5.4)
Increased Unemployment Benefits: State Revenue Impact	\$2.1
State Tax Policy Changes	\$4.4
Federal Aid	<u>\$1,316.7</u>
Total	\$12,537.10

FY 2003-04 Consensus Revenue Estimate

Revenue estimates agreed to by the Consensus Conference in May 2003.

Refinance School Bond Loan Fund

One-time savings from refinancing bonds at lower interest rates.

New Lottery Games

Governor's proposal for expanded set of lottery games.

Personal Property Tax Audits

Increased audits of compliance expected to increase revenues to the SAF.

Federal Tax Reform

Effects of federal tax reform that reduce Michigan's tax base.

Increased Unemployment Benefits

State revenue impact of federal extensions of unemployment benefits.

State Tax Policy Changes

Impact of legislation that closed certain loopholes in the state tax code.

Federal Aid

Includes federal grants previously appropriated in Department of Education budget that were transferred to School Aid Budget, and new federal money appropriated by the (federal) No Child Left Behind Act.

APPROPRIATIONS FROM TOBACCO SETTLEMENT FUNDS: FY 2003-04

Appropriations from Tobacco Settlement Funds: FY 2003-04

<u>Department and Program</u>	<u>Trust Fund</u>	<u>Amount</u>
<u>Attorney General</u>		
Additional FTE positions: Funding for 3.0 FTE positions (two attorneys and one secretary) to perform ongoing legal work and activities related to the Tobacco Master Settlement Agreement.		\$351,800
<u>Career Development</u>		
Council of Michigan Foundations: Grant to the Council will support local initiatives to address smoking prevention and cessation efforts.	Tobacco Settlement	1,000,000
<u>Community Health</u>		
Office of Services to the Aging - Respite Care: Supports in-home or adult day care of elderly persons, to provide respite for regular at-home care givers.	Tobacco Settlement	5,000,000
Medical Services - EPIC Program: Provides coverage for prescription medications to senior citizens with incomes up to 200% of the poverty level.	Tobacco Settlement	30,000,000
Medical Services - Long-Term Care Services: Supports the personal needs allowance increase from \$30 to \$60 per month for Medicaid patients in nursing homes.	Tobacco Settlement	5,000,000
Medicaid Base Funding: Replaces state GF/GP match required for ongoing Medicaid program funding needs.	Tobacco Settlement	30,300,000
	Merit Award	27,700,000
<u>Higher Education</u>		
Michigan Merit Award Program: Provides merit scholarships to high school graduates with a high qualifying score on the MEAP test.	Merit Award	130,000,000
Floor Fundings: Allocates funds to state universities that were allocated less than \$3,890 per full-year equated student.	Merit Award	9,500,000
Tuition Incentive Program: Two-phase program to encourage low-income students to graduate from high school; phase I provides qualifying students with up to two years of free tuition at a community college; phase II provides qualifying students with up to \$2,000 toward tuition at a community college or four-year university.	Merit Award	9,250,000
Nursing Scholarship Program: New program to be administered by Michigan Higher Education Assistance Authority to provide awards to nursing students who agree to work in Michigan after licensure.	Merit Award	4,000,000
<u>Michigan Strategic Fund</u>		
Health and Aging Research and Development Initiative: Provide grants to Michigan universities and private research facilities to conduct research (including collaborative research) in the area of life sciences; commercialize innovations discovered or developed through the research.	Tobacco Settlement	10,000,000
<u>Treasury</u>		
Michigan Merit Awards Board /Michigan Educational Assessment Program (MEAP) Administration and Testing Contracts: Administration of the Michigan Merit Award Scholarship program which provides awards for postsecondary education to high school students who have taken the MEAP test and met certain standards; and funding for the test development component of the program.	Merit Award	18,128,500
Department of Information Technology	Merit Award	393,000
Tuition Incentive Program: Administration of the Tuition Incentive Program.	Merit Award	369,100

OVERVIEW

Appropriations from Tobacco Settlement Funds: FY 2003-04

<u>Department and Program</u>	<u>Trust Fund</u>	<u>Amount</u>
Michigan Education Savings Plan: Provides the state match to accounts of qualified beneficiaries, giving Michigan families an incentive to save for higher education through a combination of tax deductions and state matching grants.	Merit Award	<u>1,000,000</u>
TOTAL Tobacco Settlement Appropriations		\$281,992,400

STATUS OF FY 2003-04 FEE AND STATUTORY CHANGES

Status of FY 2003-04 Fee and Statutory Changes

<u>Department/Fee</u>	<u>Status</u>	<u>Additional Revenue</u>	<u>Revenue Type</u>
<i>Agriculture</i>			
Pet Shop License & Animal Shelter Registration	2003 PA 83	\$17,900	Restricted
Horse Riding Stable License	2003 PA 84	\$5,000	Restricted
Livestock Operations License	2003 PA 85	\$23,800	Restricted
Private Pesticide Applicator License	2003 PA 82	\$130,000	Restricted
Nursery Stock License	2003 PA 104	\$140,000	Restricted
<i>Career Development</i>			
Employment Contingency Fund Transfer	2003 PA 84	\$10,000,000	Restricted
<i>Community Health</i>			
Hospital Quality Assurance Assessment	2003 PA 113	\$18,900,000	Restricted
Nursing Home Quality Assurance Assessment	2003 PA 113	\$18,900,000	Restricted
<i>Consumer and Industry Services</i>			
Limited Liability Company Fee	2003 PA 81	\$1,100,000	Restricted
Nonprofit Corporation Fee	2003 PA 107	\$565,000	Restricted
Business Corporation Fee	2003 PA 103	\$2,480,000	Restricted
Security Dealer Fee	2003 PA 150	\$4,400,000	Restricted
Occupational License Fee	2003 PA 87	\$2,800,000	Restricted
<i>Corrections/Judiciary/State Police</i>			
Justice System Assessments & Filing Fee Increases	2003 PA 70–79 2003 PA 95–102 2003 PA 138	\$25,500,000	Restricted
<i>Education</i>			
Motorcycle Safety Program Transfer to State	2003 PA 103	\$0	
<i>Environmental Quality</i>			
Solid Waste Fee	2003 PA 153	\$3,914,500	Restricted
Various Fee Sunsets	2003 PA 163	\$2,106,000	Restricted
Waste Water Reports Fee	2003 PA 148	\$45,000	Restricted
Aquatic Nuisance Fee	2003 PA 164	\$225,000	Restricted
<i>Natural Resources</i>			
State Park Entrance Fees	2003 PA 170	\$2,068,540	Restricted
Off-Road Vehicle Program Transfer	2003 PA 111	\$344,300	Restricted
<i>State</i>			
Personal Identification Cards	2003 PA 143	\$782,000	Restricted
Bad Driver Fees	2003 PA 165	\$73,063,920	GF/GP

OVERVIEW**Status of FY 2003-04 Fee and Statutory Changes**

<u>Department/Fee</u>	<u>Status</u>	<u>Additional Revenue</u>	<u>Revenue Type</u>
Bad Driver Fees*	2003 PA 165	\$3,500,000	Restricted
Drivers License/Vehicle Registration Fees	2003 PA 152	\$18,000,000	Restricted
Drivers License/Vehicle Registration Fees	2004 PA 152	\$25,000,000	GF/GP
<i>State Police</i>			
Vehicle Registration Fees	2004 PA 152	\$21,800,000	Restricted
<i>Transportation</i>			
Comprehensive Transportation Fund Shift	2003 PA 139	(\$10,833,000)	Restricted
Comprehensive Transportation Fund Shift	2004 PA 139	\$10,833,000	GF/GP
Vehicle Registration Fees (MTF)	2004 PA 152	\$5,300,000	Restricted
Trailer Registration Fees (One-Time MTF)	2004 PA 152	\$107,975,000	Restricted
<i>Treasury</i>			
School Bond Loan Refinancing**	2003 PA 108–109	\$100,000,000	Restricted
Revenue Sharing Reductions	2003 PA 168	\$0	
Audit Homestead Property Tax Exemption	2003 PA 105	\$51,000,000	Restricted

NOTE: *\$3.5 million restricted is for fire protection grants.

**\$100 million represents net revenue to the School Aid Fund due to the refinancing of School Bond Loan Fund Loans.

CONSENSUS REVENUE ESTIMATES

State law requires that the State Treasurer or the State Budget Director and the Directors of the Senate and House Fiscal Agencies meet at least twice a year to review and revise GF/GP and School Aid Fund revenue forecasts. A Consensus Revenue Estimating Conference was held on May 13, 2003, to revise estimated revenues for FY 2002-03 and reach a consensus on initial FY 2003-04 revenues. Budget recommendations for FY 2003-04 are based on this consensus agreement which anticipates that baseline GF/GP and SAF revenues will increase by 0.8% between fiscal years 2002-03 and 2003-04.

STATE SPENDING RETURNED TO LOCAL GOVERNMENTS

Pursuant to Article IX, Section 30 of the *Constitution of the State of Michigan of 1963*, at least 48.97% of state spending from state resources must be paid to all units of local government. As shown in **Table 5** (page 16), the FY 2003-04 budget provides for \$15.9 billion in payments to local units of government, or 61.5% of the estimated \$25.9 billion in state spending from state resources—well within the constitutional requirement.

STATE WORKFORCE CHANGES

Table 4 (page 15) compares the number of full-time equated or FTE positions (classified and unclassified) between FY 2002-03 and FY 2003-04 year-to-date. Table 4 shows a decrease in total FTE positions from 62,937.7 in FY 2002-03 to 57,744.1 in FY 2003-04—a decrease of 5,193.6 FTEs or 8.3%. Each FTE is equivalent to 2,088 hours of employee compensated time (including overtime, annual leave and used sick leave) during the year.

FY 2003-04 APPROPRIATIONS: SUMMARY TABLES

Table 1 (following) details the FY 2003-04 year-to-date budget. When interdepartmental grants and intradepartmental transfers are deducted, Gross appropriations of \$39.2 billion reduce to \$38.5 billion in Adjusted Gross appropriations.

State Restricted	\$16,991,606,900
GF/GP	\$8,886,841,500
Federal	\$11,632,898,950
Local and Private	<u>\$1,034,875,850</u>
Adjusted Gross	\$38,546,223,200

Table 2 (following) compares Adjusted Gross appropriations for FY 2002-03 YTD to FY 2003-04 YTD. Appropriations decrease from \$39.28 billion in FY 2002-03 to \$38.55 billion in FY 2003-04—a \$734.74 million or 1.87% decrease.

Table 3 (following) compares GF/GP appropriations for FY 2002-03 YTD to FY 2003-04 YTD. Appropriations increase from \$8.83 billion in FY 2002-03 to \$8.89 billion in FY 2003-04—an increase of \$55,913,301 or 0.63%.

Table 4 (following) compares the number of Full-time Equated or FTE employees (classified and unclassified) for FY 2002-03 YTD to FY 2003-04 YTD. Fiscal Year 2003-04 YTD shows a change in total FTE positions from 62,937.7 in FY 2002-03 to 57,744.1 in FY 2003-04—a decrease of 5,193.6 FTEs or 8.3%. Each FTE is equivalent to 2,088 hours of employee compensated time (including overtime, annual leave, and used sick leave) during the year.

Table 5 (following) shows FY 2003-04 YTD enacted payments to local units of government compared to the amount of spending from state sources provided in each budget. Pursuant to Article IX, Section 30 of the *Constitution of the State of Michigan of 1963*, at least 48.97% of state spending from state resources must be paid to all units of local government. The enacted FY 2003-04 YTD budget provides for \$15.9 billion in state spending to local units of government, 61.5% of the estimated \$25.9 billion in state spending from state resources—well within the constitutional requirement.

TABLE 1
FY 2003-04 YEAR-TO-DATE APPROPRIATIONS BY SOURCE OF FUNDS

<u>Department/Major Budget Area</u>	<u>Gross</u>	<u>IDGs and IDTs</u>	<u>Adjusted Gross</u>	<u>Federal Funds</u>	<u>Local Revenue</u>	<u>Private Revenue</u>	<u>State Restricted</u>	<u>General Fund/General Purpose</u>
Community Colleges	289,013,100	0	289,013,100	0	0	0	0	289,013,100
Education	114,381,200	1,000,000	113,381,200	65,834,100	4,791,600	701,400	12,661,600	29,392,500
Higher Education	1,789,754,500	0	1,789,754,500	4,400,000	0	0	152,750,000	1,632,604,500
School Aid	<u>12,604,069,000</u>	<u>0</u>	<u>12,604,069,000</u>	<u>1,316,681,900</u>	<u>0</u>	<u>0</u>	<u>11,005,337,100</u>	<u>282,050,000</u>
EDUCATION	\$14,797,217,800	\$1,000,000	\$14,796,217,800	\$1,386,916,000	\$4,791,600	\$701,400	\$11,170,748,700	\$2,233,060,100
Attorney General	61,462,400	10,810,600	50,651,800	8,971,800	0	0	10,670,100	31,009,900
Civil Rights	13,117,200	0	13,117,200	934,000	0	0	0	12,183,200
Civil Service	31,853,900	2,300,000	29,553,900	4,779,100	1,700,000	150,000	14,872,200	8,052,600
Executive Office	4,859,500	0	4,859,500	0	0	0	0	4,859,500
Information Technology	360,239,300	360,239,300	0	0	0	0	0	0
Legislature	119,880,400	1,662,900	118,217,500	0	0	400,000	2,495,100	115,322,400
Management and Budget	230,187,800	162,216,800	67,971,000	440,800	0	0	31,201,300	36,328,900
State	181,121,500	20,000,000	161,121,500	1,319,500	0	100	143,070,200	16,731,700
Treasury: Operations	372,232,900	12,417,600	359,815,300	44,196,100	910,800	0	256,411,700	58,296,700
Treasury: Debt/Revenue Sharing	<u>1,481,136,400</u>	<u>0</u>	<u>1,481,136,400</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,408,728,000</u>	<u>72,408,400</u>
GENERAL GOVERNMENT	\$2,856,091,300	\$569,647,200	\$2,286,444,100	\$60,641,300	\$2,610,800	\$550,100	\$1,867,448,600	\$355,193,300
Community Health	9,478,814,800	69,204,800	9,409,610,000	5,243,530,900	812,256,100	57,844,000	737,408,300	2,558,570,700
Corrections	1,724,507,200	3,253,600	1,721,253,600	27,798,400	391,100	0	60,858,800	1,632,205,300
Family Independence Agency	<u>3,959,304,200</u>	<u>1,055,800</u>	<u>3,958,248,400</u>	<u>2,679,842,950</u>	<u>65,097,100</u>	<u>9,472,150</u>	<u>70,096,800</u>	<u>1,133,739,400</u>
HUMAN SERVICES	\$15,162,626,200	\$73,514,200	\$15,089,112,000	\$7,951,172,250	\$877,744,300	\$67,316,150	\$868,363,900	\$5,324,515,400
Consumer and Industry Services	603,526,200	111,100	603,415,100	283,831,500	0	770,000	299,143,800	19,669,800
Career Development	466,880,000	0	466,880,000	418,100,400	15,011,900	2,396,300	6,664,700	24,706,700
Michigan Strategic Fund Agency	<u>104,513,200</u>	<u>100,900</u>	<u>104,412,300</u>	<u>52,953,300</u>	<u>0</u>	<u>853,100</u>	<u>10,050,000</u>	<u>40,555,900</u>
REGULATORY	\$1,174,919,400	\$212,000	\$1,174,707,400	\$754,885,200	\$15,011,900	\$4,019,400	\$315,858,500	\$84,932,400
Agriculture	97,150,800	10,858,600	86,292,200	14,051,700	0	1,127,600	39,733,900	31,379,000
Environmental Quality	345,924,400	14,142,900	331,781,500	129,169,500	0	435,700	145,460,000	56,716,300
Natural Resources	<u>254,151,000</u>	<u>3,437,900</u>	<u>250,713,100</u>	<u>33,706,600</u>	<u>0</u>	<u>1,871,400</u>	<u>186,333,700</u>	<u>28,801,400</u>
RESOURCE PROTECTION	\$697,226,200	\$28,439,400	\$668,786,800	\$176,927,800	\$0	\$3,434,700	\$371,527,600	\$116,896,700
Military and Veterans Affairs	103,097,500	200,000	102,897,500	40,627,900	0	1,270,700	23,800,100	37,198,800
State Police	<u>460,898,900</u>	<u>17,885,100</u>	<u>443,013,800</u>	<u>103,892,300</u>	<u>4,506,600</u>	<u>10,000</u>	<u>86,963,400</u>	<u>247,641,500</u>
SAFETY AND DEFENSE	\$563,996,400	\$18,085,100	\$545,911,300	\$144,520,200	\$4,506,600	\$1,280,700	\$110,763,500	\$284,840,300
Capital Outlay	568,083,700	0	568,083,700	202,652,000	42,789,600	0	41,340,000	281,302,100
History, Arts, and Libraries	57,131,100	137,500	56,993,600	9,322,600	0	577,400	2,308,800	44,784,800
Judiciary	253,567,900	4,633,500	248,934,400	4,106,500	2,898,700	842,500	79,770,300	161,316,400
Transportation	<u>3,111,032,100</u>	<u>0</u>	<u>3,111,032,100</u>	<u>941,755,100</u>	<u>5,800,000</u>	<u>0</u>	<u>2,163,477,000</u>	<u>0</u>
ALL OTHERS	\$3,989,814,800	\$4,771,000	\$3,985,043,800	\$1,157,836,200	\$51,488,300	\$1,419,900	\$2,286,896,100	\$487,403,300
TOTAL APPROPRIATIONS	\$39,241,892,100	\$695,668,900	\$38,546,223,200	\$11,632,898,950	\$956,153,500	\$78,722,350	\$16,991,606,900	\$8,886,841,500

NOTE: Capital Outlay Enacted YTD figure is target amount.

TABLE 2
FY 2003-04 ADJUSTED GROSS APPROPRIATIONS
FY 2003-04 Year-to-Date Compared with FY 2002-03 Year-to-Date

<u>Department/Major Budget Area</u>	<u>FY 2002-03 Year-to-Date</u>	<u>FY 2003-04 Year-to-Date</u>	<u>FY 2003-04 vs 2002-03</u>	
			<u>Amount Different</u>	<u>Percent Different</u>
Community Colleges	310,885,794	289,013,100	(21,872,694)	-7.0%
Education	215,154,016	113,381,200	(101,772,816)	-47.3%
Higher Education	1,841,901,735	1,789,754,500	(52,147,235)	-2.8%
School Aid	<u>12,554,692,100</u>	<u>12,604,069,000</u>	<u>49,376,900</u>	0.4%
EDUCATION	\$14,922,633,645	\$14,796,217,800	(\$126,415,845)	-0.8%
Attorney General	50,435,483	50,651,800	216,317	0.4%
Civil Rights	13,623,900	13,117,200	(506,700)	-3.7%
Civil Service	25,554,000	29,553,900	3,999,900	15.7%
Executive Office	5,021,500	4,859,500	(162,000)	-3.2%
Information Technology	0	0	0	0.0%
Legislature	121,813,900	118,217,500	(3,596,400)	-3.0%
Management and Budget	75,679,811	67,971,000	(7,708,811)	-10.2%
State	146,734,961	161,121,500	14,386,539	9.8%
Treasury: Operations	354,223,197	359,815,300	5,592,103	1.6%
Treasury: Debt/RevenueShare	<u>1,530,086,400</u>	<u>1,481,136,400</u>	<u>(48,950,000)</u>	-3.2%
GENERAL GOVERNMENT	\$2,323,173,152	\$2,286,444,100	(\$36,729,052)	-1.6%
Community Health	9,657,293,248	9,409,610,000	(247,683,248)	-2.6%
Corrections	1,683,738,331	1,721,253,600	37,515,269	2.2%
Family Independence Agency	<u>4,130,285,100</u>	<u>3,958,248,400</u>	<u>(172,036,700)</u>	-4.2%
HUMAN SERVICES	\$15,471,316,679	\$15,089,112,000	(\$382,204,679)	-2.5%
Consumer and Industry Services	586,769,264	603,415,100	16,645,836	2.8%
Career Development	458,111,700	466,880,000	8,768,300	1.9%
Michigan Strategic Fund Agency	<u>148,982,500</u>	<u>104,412,300</u>	<u>(44,570,200)</u>	-29.9%
REGULATORY	\$1,193,863,464	\$1,174,707,400	(\$19,156,064)	-1.6%
Agriculture	91,492,800	86,292,200	(5,200,600)	-5.7%
Environmental Quality	395,093,561	331,781,500	(63,312,061)	-16.0%
Natural Resources	<u>263,583,847</u>	<u>250,713,100</u>	<u>(12,870,747)</u>	-4.9%
RESOURCE PROTECTION	\$750,170,208	\$668,786,800	(\$81,383,408)	-10.8%
Military and Veterans Affairs	104,328,808	102,897,500	(1,431,308)	-1.4%
State Police	<u>459,747,548</u>	<u>443,013,800</u>	<u>(16,733,748)</u>	-3.6%
SAFETY AND DEFENSE	\$564,076,356	\$545,911,300	(\$18,165,056)	-3.2%
Capital Outlay	634,269,800	568,083,700	(66,186,100)	-10.4%
History, Arts, and Libraries	69,252,536	56,993,600	(12,258,936)	-17.7%
Judiciary	238,790,300	248,934,400	10,144,100	4.2%
Transportation	<u>3,113,421,400</u>	<u>3,111,032,100</u>	<u>(2,389,300)</u>	-0.1%
ALL OTHERS	\$4,055,734,036	\$3,985,043,800	(\$70,690,236)	-1.7%
TOTAL APPROPRIATIONS	\$39,280,967,540	\$38,546,223,200	(\$734,744,340)	-1.9%

NOTE: Capital Outlay Enacted YTD figure is target amount.

TABLE 3
FY 2003-04 GENERAL FUND/GENERAL PURPOSE APPROPRIATIONS
FY 2003-04 Year-to-Date Compared with FY 2002-03 Year-to-Date

<u>Department/Major Budget Area</u>	<u>FY 2002-03 Year-to-Date</u>	<u>FY 2003-04 Year-to-Date</u>	<u>FY 2003-04 vs 2002-03</u>	
			<u>Amount Different</u>	<u>Percent Different</u>
Community Colleges	307,512,112	289,013,100	(18,499,012)	-6.0%
Education	29,018,216	29,392,500	374,284	1.3%
Higher Education	1,741,466,933	1,632,604,500	(108,862,433)	-6.3%
School Aid	<u>249,413,500</u>	<u>282,050,000</u>	<u>32,636,500</u>	42.2%
EDUCATION	\$2,327,410,761	\$2,233,060,100	(\$94,350,661)	-4.1%
Attorney General	32,363,383	31,009,900	(1,353,483)	-4.2%
Civil Rights	12,689,900	12,183,200	(506,700)	-4.0%
Civil Service	9,285,700	8,052,600	(1,233,100)	-13.3%
Executive Office	5,021,500	4,859,500	(162,000)	-3.2%
Information Technology	0	0	0	0.0%
Legislature	118,883,500	115,322,400	(3,561,100)	-3.0%
Management and Budget	39,247,311	36,328,900	(2,918,411)	-7.4%
State	18,141,161	16,731,700	(1,409,461)	-7.8%
Treasury: Operations	55,723,597	58,296,700	2,573,103	4.6%
Treasury: Debt/Revenue	<u>19,586,400</u>	<u>72,408,400</u>	<u>52,822,000</u>	269.7%
GENERAL GOVERNMENT	\$310,942,452	\$355,193,300	\$44,250,848	14.2%
Community Health	2,382,030,412	2,558,570,700	176,540,288	7.4%
Corrections	1,599,803,231	1,632,205,300	32,402,069	2.0%
Family Independence Agency	<u>1,115,085,079</u>	<u>1,133,739,400</u>	<u>18,654,321</u>	1.7%
HUMAN SERVICES	\$5,096,918,722	\$5,324,515,400	\$227,596,678	4.5%
Consumer and Industry Services	32,900,464	19,669,800	(13,230,664)	-40.2%
Career Development	26,572,800	24,706,700	(1,866,100)	-7.0%
Michigan Strategic Fund Agency	<u>52,626,100</u>	<u>40,555,900</u>	<u>(12,070,200)</u>	-22.9%
REGULATORY	\$112,099,364	\$84,932,400	(\$27,166,964)	-24.2%
Agriculture	36,773,700	31,379,000	(5,394,700)	-14.7%
Environmental Quality	66,653,261	56,716,300	(9,936,961)	-14.9%
Natural Resources	<u>43,124,447</u>	<u>28,801,400</u>	<u>(14,323,047)</u>	-33.2%
RESOURCE PROTECTION	\$146,551,408	\$116,896,700	(\$29,654,708)	-20.2%
Military and Veterans Affairs	38,378,308	37,198,800	(1,179,508)	-3.1%
State Police	<u>277,389,448</u>	<u>247,641,500</u>	<u>(29,747,948)</u>	-10.7%
SAFETY AND DEFENSE	\$315,767,756	\$284,840,300	(\$30,927,456)	-9.8%
Capital Outlay	289,167,000	281,302,100	(7,864,900)	-2.7%
History, Arts, and Libraries	58,451,636	44,784,800	(13,666,836)	-23.4%
Judiciary	173,619,100	161,316,400	(12,302,700)	-7.1%
Transportation	<u>0</u>	<u>0</u>	<u>0</u>	0.0%
ALL OTHERS	\$521,237,736	\$487,403,300	(\$33,834,436)	-6.5%
TOTAL APPROPRIATIONS	\$8,830,928,199	\$8,886,841,500	\$55,913,301	0.6%

NOTE: Capital Outlay Enacted YTD figure is target amount.

TABLE 4
FULL-TIME EQUATED POSITIONS*
FY 2003-04 Year-to-Date Compared with FY 2002-03 Year-to-Date

<u>Department/Major Budget Area</u>	<u>FY 2002-03 Year-to-Date</u>	<u>FY 2003-04 Year-to-Date</u>	<u>FY 2003-04 vs. FY 2002-03</u>	
			<u>Amount Different</u>	<u>Percent Different</u>
Community Colleges	0.0	0.0	0.0	0.0%
Education	442.1	433.1	(9.0)	-2.0%
Higher Education	1.0	1.0	0.0	0.0%
School Aid	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	0.0%
EDUCATION	443.1	434.1	(9.0)	-2.0%
Attorney General	592.5	568.0	(24.5)	-4.1%
Civil Rights	163.5	142.0	(21.5)	-13.1%
Civil Service	201.5	211.5	10.0	5.0%
Executive Office	84.2	84.2	0.0	0.0%
Information Technology	1,771.4	1,755.4	(16.0)	0.0%
Legislature	0.0	0.0	0.0	0.0%
Management and Budget	854.5	722.0	(132.5)	-15.5%
State	1,853.8	1,855.8	2.0	0.1%
Treasury: Operations	1,861.5	1,535.0	(326.5)	-17.5%
Treasury: Debt/Revenue Sharing	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	0.0%
GENERAL GOVERNMENT	7,382.9	6,873.9	(509.0)	-6.9%
Community Health	5,672.3	4,388.3	(1,284.0)	-22.6%
Corrections	18,843.9	18,312.7	(531.2)	-2.8%
Family Independence Agency	<u>12,501.1</u>	<u>10,774.6</u>	<u>(1,726.50)</u>	-13.8%
HUMAN SERVICES	37,017.3	33,475.6	(3,541.70)	-9.6%
Consumer and Industry Services	4,012.4	3,533.5	(478.9)	-11.9%
Career Development	1,095.0	989.5	(105.5)	-9.6%
Michigan Strategic Fund	<u>231.5</u>	<u>200.0</u>	<u>(31.5)</u>	-13.6%
REGULATORY	5,338.9	4,723.0	(615.9)	-11.5%
Agriculture	645.5	569.0	(76.5)	-11.9%
Environmental Quality	1,596.7	1,611.7	15.0	0.9%
Natural Resources	<u>2,081.5</u>	<u>2,094.5</u>	<u>13.0</u>	0.6%
RESOURCE PROTECTION	4,323.7	4,275.2	(48.5)	-1.1%
Military and Veterans Affairs	1,079.0	1,079.0	0.0	0.0%
State Police	<u>3,448.5</u>	<u>2,990.0</u>	<u>(458.5)</u>	-13.3%
SAFETY AND DEFENSE	4,527.5	4,069.0	(458.5)	-10.1%
Capital Outlay	0.0	0.0	0.0	0.0%
History, Arts, and Libraries	247.5	254.5	7.0	2.8%
Judiciary	582.5	582.5	0.0	0.0%
Transportation	<u>3,074.3</u>	<u>3,056.3</u>	<u>(18.0)</u>	-0.6%
ALL OTHERS	3,904.3	3,893.3	(11.0)	-0.3%
TOTAL FULL-TIME EQUATED POSITIONS	62,937.7	57,744.1	(5,193.6)	-8.3%

**Includes classified, unclassified, and nonlegislative exempt positions.*

Table 5
STATE SPENDING FROM STATE SOURCES PAID TO LOCAL GOVERNMENTS
FY 2003-04 Year-to-Date

<u>Department/Major Budget Area</u>	<u>Spending from State Sources</u>	<u>State Spending to Local Government Units</u>	<u>% of State Spending from State Sources as Payment to Locals</u>
Community Colleges	289,013,100	289,013,100	100.0%
Education	42,054,100	18,960,100	45.1%
Higher Education	1,785,354,500	3,759,100	0.2%
School Aid	<u>11,287,387,100</u>	<u>11,298,682,800</u>	100.1%
EDUCATION	\$13,403,808,800	\$11,610,415,100	86.6%
Attorney General	41,680,000	0	0.0%
Civil Rights	12,183,200	0	0.0%
Civil Service	22,924,800	0	0.0%
Executive Office	4,859,500	0	0.0%
Information Technology	0	0	0.0%
Legislature	117,817,500	0	0.0%
Management and Budget	67,530,200	0	0.0%
State	159,801,900	945,600	0.6%
Treasury: Operations	314,708,400	108,571,700	34.5%
Treasury: Debt/Revenue Sharing	<u>1,481,136,400</u>	<u>1,407,850,000</u>	95.1%
GENERAL GOVERNMENT	\$2,222,641,900	\$1,517,367,300	68.3%
Community Health	3,295,979,000	1,042,260,100	31.6%
Corrections	1,693,064,100	81,068,000	4.8%
Family Independence Agency	<u>1,203,836,200</u>	<u>185,302,200</u>	15.4%
HUMAN SERVICES	\$6,192,879,300	\$1,308,630,300	21.1%
Consumer & Industry Services	318,813,600	29,315,900	9.2%
Career Development	31,371,400	0	0.0%
Michigan Startegic Fund Agency	<u>50,605,900</u>	<u>0</u>	0.0%
REGULATORY	\$400,790,900	\$29,315,900	7.3%
Agriculture	71,112,900	3,461,200	4.9%
Environmental Quality	202,176,300	20,145,500	10.0%
Natural Resources	<u>215,135,100</u>	<u>21,983,000</u>	10.2%
RESOURCE PROTECTION	\$488,424,300	\$45,589,700	9.3%
Military and Veterans Affairs	60,998,900	120,000	0.2%
State Police	<u>334,604,900</u>	<u>20,302,758</u>	6.1%
SAFETY AND DEFENSE	\$395,603,800	\$20,422,758	5.2%
Capital Outlay	322,642,100	0	0.0%
History, Arts, and Libraries	47,093,600	17,530,400	37.2%
Judiciary	241,086,700	124,506,800	51.6%
Transportation	<u>2,163,477,000</u>	<u>1,237,245,900</u>	57.2%
ALL OTHER	\$2,774,299,400	\$1,379,283,100	49.7%
TOTALS	\$25,878,448,400	\$15,911,024,158	61.5%